GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:3247
ANSWERED ON:14.08.2003
ELECTRICITY ACT
IQBAL AHMED SARADGI

Will the Minister of POWER be pleased to state:

(a) whether the State Government`s plans to take away the role of state power regulator to fix the tariff and also abandon the system of holding public hearing before hiking the tariff have met with legal hurdles with the Centre notifying the Electricity Act, 2003 whose spirit is against such plans;

(b) if so, the extent to which this new Central Act has blocked the State`s plan;

(c) whether the State Government has opposed this; and

(d) if so, the reaction of the Union Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) to (d) : The Electricity Act, 2003 has come into force w.e.f. 10th June, 2003. Section 62 of the Act provides that the Regulatory Commissions shall determine tariff in accordance with the provisions of this Act, Section 86(3) of the Act provides that the State Regulatory Commissions shall ensure transparency while exercising its power and discharging its functions.

The State Governments have in Memoranda ofUnderstanding /Agreements (MOUs/MOAs) on Reform committed themselves to the determination of tariff by State Electricity Regulatory Commissions.